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STATE FOR NEA/IPA AND PRM, TREASURY FOR AA/S BAUKOL, NSC FOR KUMAR

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SUBJECT: UPDATE ON UNSCO PROPOSAL FOR GAZA

REF: BURNETT 06/16/2009 EMAIL

- 11. (SBU) Following up on our earlier conversations, and promising contacts at the June 8 AHLC meeting in Oslo, UN Senior Coordinator Robert Serry's staff met with Ministry of Defense PolMil Bureau official Oded Herman and Office of the Coordinator for Government Activities in the Territories (COGAT) External Relations Director Uri Singer on June 16 to go over Serry's proposal to resume construction work on a number of construction projects in Gaza (Ref email). Both sides characterized the meeting as very positive, though some follow up work remained to be done. Gilad aide Oded Hermann told EconCouns after the meeting that the end-use assurances presented by UNSCO showed the UN agencies had benefited from being briefed by USAID on how the U.S. approaches end-use monitoring.
- $\underline{\ \ }$ (SBU) Serry then met with MOD PolMil Bureau Director Amos Gilad late on June 17 to get Gilad's views on how best to proceed. In his June 18 debrief of that meeting to the Ambassador, Serry said the tone of this meeting had been far more constructive than that of the meeting he and Gilad had earlier in June. Gilad said he had received a positive report from Herman and Singer. Building on that, Serry said he pressed for a 'good news' statement at the June 26 Quartet meeting. According to Serry, Gilad pushed back, saying his staff needed more time to evaluate the proposal. Serry responded by indicating that the UN agencies did not need full agreement to all 27 projects mentioned in the proposal; indeed, only a handful could begin within weeks. Serry explained to Gilad that many of the projects would have to be re-tendered and could not begin for at least two months. Serry said he urged that when MOD Barak speaks by phone with UNSYG Ban Ki Moon on June 23, Barak be prepared to say that he is comfortable with the priorities and end-use approach laid out in the proposal, and that UN staff and MOD will be in further contact on the implementation details. That would be sufficient for a positive UN report to the Quartet. Serry said Gilad agreed to that suggestion.
- ¶3. (SBU) The Ambassador noted that we had been in touch with the Israeli interlocutors, who also thought the meetings had been a real step forward. He advised that the UN make clear at the June 26 Quartet meeting that the priorities outlined in the proposal had been arrived at in consultation with the Palestinian Authority. Serry said he had already explained the importance of such language to the SYG and to his staff. The latter had been concerned about how prominent mention of the PA would affect their operations on the ground in Gaza, but Serry agreed that it was important to put reconstruction under the aegis of the PA. He explained that the UNSYG would be calling Salam Fayyad before the call to MOD Barak in order to be able to reassure Barak first-hand that the PA was fully on board with the proposal. The Ambassador told Serry he had already conveyed U.S. support to Gilad, and had urged COGAT

to take a realistic approach to end-use monitoring. Serry concluded that the ongoing dialogue had build confidence between MOD and the UN agencies and that both sides could now see a way forward to limited reconstruction and repair in Gaza.

¶4. (SBU) EconCouns confirmed with Herman and Singer on June 22 that they had received detailed responses to the questions raised in the earlier technical meeting. Herman complained that UN staff had only given them the written responses late on Saturday, and had answered some follow-up questions on Sunday. We continue to encouraged a positive reaction to the Serry proposal when SYG Ban and MOD Barak speak on June 23.

CUNNINGHAM